INEEL IMPACTS 2000

taxes

workforce

community

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INEEL IMPACTS

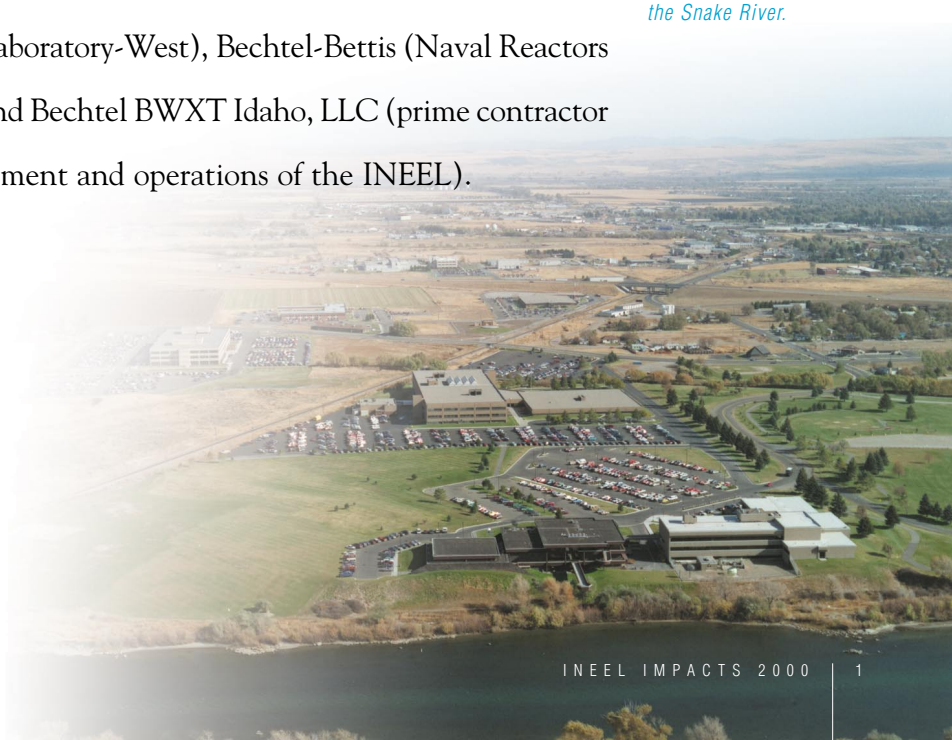
THIS REPORT ASSESSES THE INTRASTATE ECONOMIC AND sociological impacts resulting from operation of the Idaho National Engineering and Environmental Laboratory (INEEL) during the period October 1, 1999, through September 30, 2000 (Fiscal Year 2000). Employee wage and salary spending, employee- and employer-paid taxes, and INEEL procurement activity are measured for their estimated impacts on the 7 counties, 10 cities, and 26 public school districts of southeastern Idaho, where the majority of INEEL employees and their families reside. Relative predominance of INEEL-dependent households within the various communities is estimated in terms of property, sales, and income tax contributions. The report also provides INEEL workforce statistics as well as data on civic and charitable impacts of the lab and its employees on both the 7-county region and the state as a whole.

CONTENTS

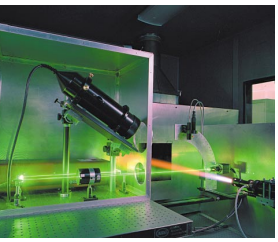
The INEEL is a federally funded research and development center and one of the Department of Energy's nine multiprogram national laboratories. As such, work is performed in each of the Department's business lines—Environmental Quality, Energy Security, Science and Technology, and National Security.

These efforts are conducted at a remote 890-square-mile site in the Arco Desert and in research and administrative facilities in Idaho Falls. Companies and educational institutions assisting the Department of Energy in managing the INEEL include the University of Chicago (Argonne National Laboratory-West), Bechtel-Bettis (Naval Reactors Facility), and Bechtel BWXT Idaho, LLC (prime contractor for management and operations of the INEEL).

An aerial view of INEEL research and administrative facilities located in Idaho Falls near the banks of the Snake River.



INTRODUCTION



More than 1,100 employees work at the Willow Creek Building and the INEEL Research Center (inset).

FOR OVER A HALF-CENTURY, THE IDAHO NATIONAL Engineering and Environmental Laboratory (INEEL) has put science to work, addressing some of the nation's most pressing environmental, energy, and nuclear technology challenges. This heritage of service has helped build a reputation for Idaho and the INEEL as the home of science-based solutions.

It was Idaho and its national laboratory that the nation turned to for help in its quest to make nuclear power safer and more reliable. The INEEL is the location where 52 nuclear reactors were built and tested, most of them prototypes developed by laboratory engineers and scientists.

The high-desert plain of eastern Idaho provided the location for the Naval Reactors Facility, where over 35,000 sailors were trained to operate the nation's Naval Nuclear Fleet.

Through time, many specialized facilities have been constructed to support laboratory operations and research. Experimental Breeder Reactor I, where usable amounts of electricity were generated from nuclear energy for the first time in the world, now stands as a national historic landmark. The Advanced Test Reactor remains one of the world's most versatile and capable test reactors, and the INEEL Research Center consists of more than five dozen laboratories supporting state-of-the-art research and development in areas ranging from biotechnology and electric vehicles to lasers and optics.

ed solutions

FROM A DOLLARS AND CENTS PERSPECTIVE, THE 890-square-mile INEEL desert site, as well as the research and office facilities located some 50 miles to the east in Idaho Falls, represent a more than $4 billion investment in Idaho.

Although the full economic impact of the laboratory is examined in more detail later in this publication, some highlights are worth noting.

State-of-the-art laboratories support INEEL research and development work.

In Fiscal Year 2000, the INEEL remained one of Idaho's three largest employers, with over 8,100 engineers, scientists, and related personnel. The combined wages of those employees topped $400 million. Idaho taxes paid by INEEL employees and the companies they work for exceeded $55 million, and subcontracts worth over $129 million were awarded to the providers of goods and services in all parts of the state.

But the benefits don't stop there. A strong sense of "native pride" and "corporate citizenship" has long resided at the INEEL. Second and third generations of Idaho families work at the lab today, and they're committed to giving back to their home state.

INEEL households donate an average of $2,590 and 208 hours of time to charitable organizations and causes that benefit Idaho's communities. Corporate donations to United Way and a variety of Idaho-centered education, arts, health and welfare, and nonprofit organizations total $600,000 annually.

Additionally, the Department of Energy and the INEEL contractors have implemented a full spectrum of outreach programs to accomplish even more, with a special emphasis on educating Idaho's most precious natural resource—its children.

In 2000, the department continued its Math and Science Gifting Program. The program has been in place since 1996 when lab employment levels entered the third year of a five-year decline and has resulted in the donation of surplus computer equipment to Idaho's schools.

Idaho Governor Dirk Kempthorne joined DOE-Idaho Manager Beverly Cook in dedicating a new computer lab at a Boise school, made possible by DOE's Math and Science Gifting Program.

For the 11th straight year, the Department of Energy and its contractors sponsored the Hispanic Youth Symposium. As in previous years, 300 young Hispanic students from all corners of the state were brought together to hear from role models, develop skills and contacts, and compete for more than $300,000 in academic scholarships from colleges and private businesses.

Through the Teaming Teachers with Industry Program, the INEEL again provided a forum for teachers to experience cutting-edge technology in business and industry. Teachers working with scientists and engineers developed courses that link business and industry to formal education, enhanced teachers' leadership skills, increased teachers' awareness and understanding of current science and technology, and promoted the transfer of this knowledge to the classroom.

To engage and excite middle school students in math, science, and engineering, the INEEL began offering a program called JASON-Idaho. Over 5,000 Idaho students and 200 teachers participated in a year-long interdisciplinary curriculum that investigated extreme environments in space and beneath the ocean's surface.

For college students, the INEEL offered financial assistance through its fellowship program. For example, the Computer Science Power Fellowship (CSPF) is designed to enhance the education of students majoring in computer science, computer engineering, electrical engineering, information systems, and other computer technology disciplines. Seventeen Idaho students were awarded fellowships in 2000.

Numerous other undergraduate, graduate, and faculty fellowships along with a postgraduate internship program were offered. In 2000, 62 faculty and 108 students from Idaho schools were participants. Apart from these education outreach programs, the Department of Energy partners with Idaho's universities, now part of the new Inland

Northwest Research Alliance, to accomplish important technology development and other work. Among the more than 20 individual research projects undertaken in partnership this year were the environmental biotechnology and information security work with the University of Idaho and the accelerator and radiation science and technology studies with Idaho State University. The value of this and related work approached $2.5 million in 2000.

Finally, the emphasis placed on economic development and diversification by the Department of Energy and its private contractors remained very significant in 2000.

The department provided another $6 million to the state for economic enhancement initiatives under the terms of the 1995 Settlement Agreement. To date, the state has received $27 million of the $30 million promised.

In addition, the department's prime contractor in Idaho, Bechtel BWXT Idaho, LLC, disbursed $1.4 million in corporate funds to support economic diversification and job creation initiatives across the state and beyond.

In 2000, Bechtel BWXT Idaho, LLC contributed startup funds needed to create a Community Development Financial Institution (CDFI) for Idaho. The CDFI will offer loans to small businesses throughout the state using funds from the Department of the Treasury and commercial banks.

Corporate funds also helped spawn the creation of regional economic development specialist positions in Lemhi, Jerome, Franklin, and Fremont counties and recapitalize the revolving loan fund of the Southeast Idaho Council of Government. Direct investments in company expansions brought over 300 new jobs to Idaho.

To help the state and region maximize available resources, the INEEL cosponsored numerous conferences and seminars throughout the year, including Linking Regional Resources, Industries of the Future, and Connect Idaho.

Few other institutions in the state had a more significant or more broadly based impact on the state than the INEEL did in 2000.

The INEEL makes partnering with government, business, and education leaders a priority by hosting events ranging from procurement fairs to Idaho industry conferences.

With the lab's sharpened commitment to use the best science to complete its cleanup mission and enhance its research and development capabilities, the INEEL's impacts on Idaho should remain powerfully positive for years to come.

THE INEEL WORKFORCE

OCCUPATIONAL DIVERSITY CHARACTERIZES THE 8,155 men and women of the INEEL workforce. While scientists and engineers are integral to the mission and performance of the laboratory, they collectively make up only 27% of the workforce. Administrators and managers, maintenance and protective service workers, and clerical and computer-related personnel comprise the majority of INEEL employment.

Seventy-two percent of INEEL workers are between 34 and 53 years of age, a proportion comparable to research and engineering facilities nationally.

The education and preparation for INEEL employment often involves graduate-level training. With 1,938 employees holding graduate and professional degrees, the INEEL is home to a formidable concentration of highly educated and specially trained individuals.

INEEL WORKFORCE PROFILE 2000

- The INEEL employs 8,155 people
- 2,108 (26%) are women
- 5,865 (72%) are between 34 and 53 years of age
- 4,372 (54%) have at least a bachelor's degree
- 6,712 (82%) are married
- 1,540 (19%) are managerial or administrative workers
- 2,706 (33%) are professional or scientific workers
- 3,908 (48%) are construction, communication, clerical, and other support workers

26% women

8,155 employees

54% degreed

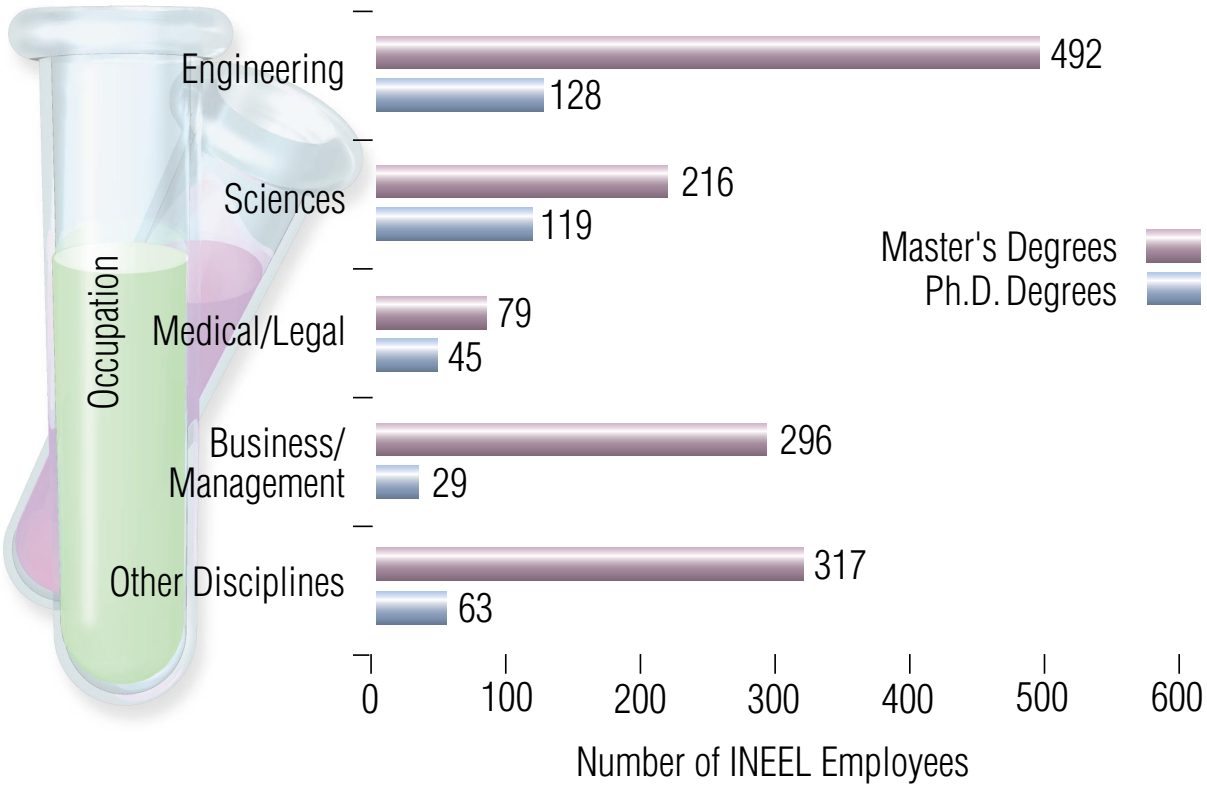
The INEEL provides career opportunities over a wide range of occupations and depends on workers with expertise in fields ranging from engineering and the sciences to accounting, construction, and clerical services.

OCCUPATIONAL DIVERSITY

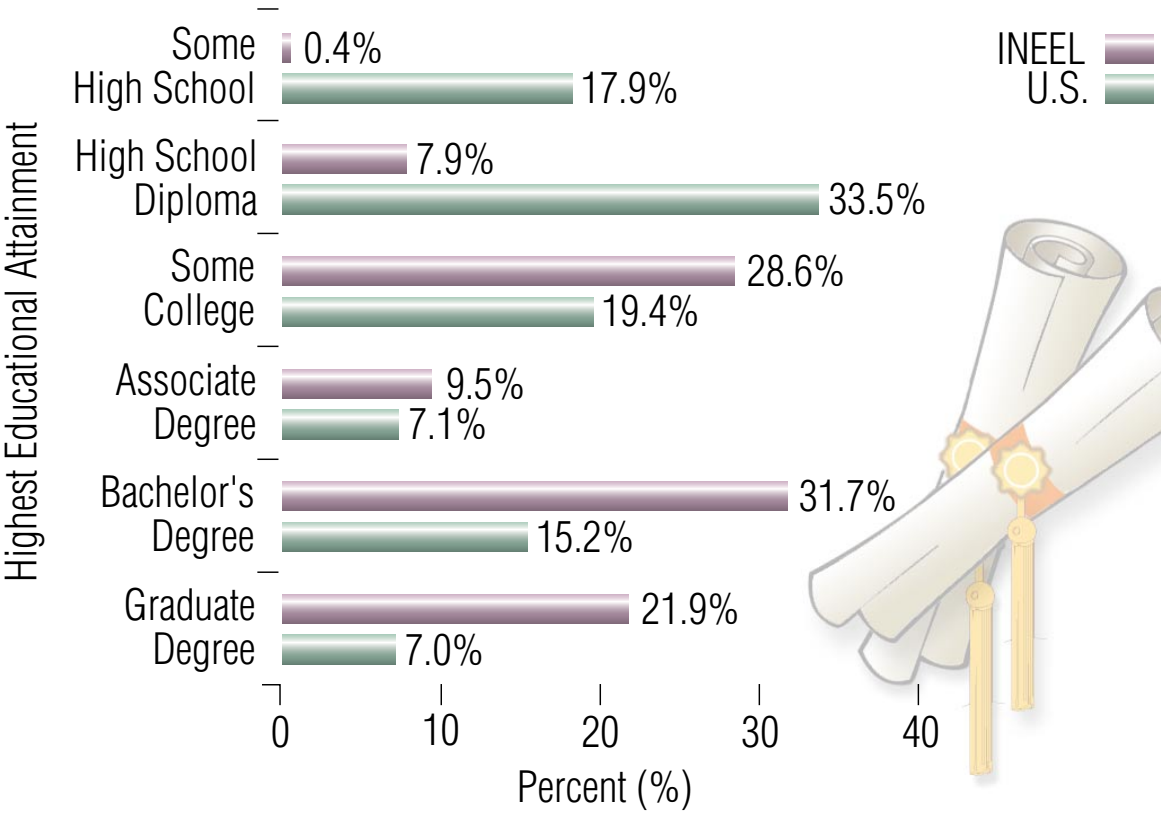
INEEL workers engage in a wide range of occupations, with engineering having the largest number of workers.

- 1,755 (22%) in engineering
- 1,651 (20%) in all other occupations
- 1,605 (20%) management and accounting
- 1,196 (15%) in construction, maintenance and protective services
- 856 (10%) in science, mathematics, and health professions
- 507 (6%) in computer technologies and telecommunications
- 391 (5%) in clerical and data processing
- 194 (2%) in quality assurance and inspection

Advanced Degrees



Educational Attainment



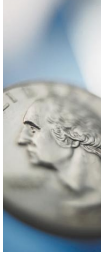
CONTINUING EDUCATION

During the 1999–2000 academic year, INEEL employees were involved in a variety of educational and professional improvement programs.

- 1,342 employees earned university credit
- 4,193 completed job-related seminars and workshops
- 2,540 completed noncredit courses for personal improvement

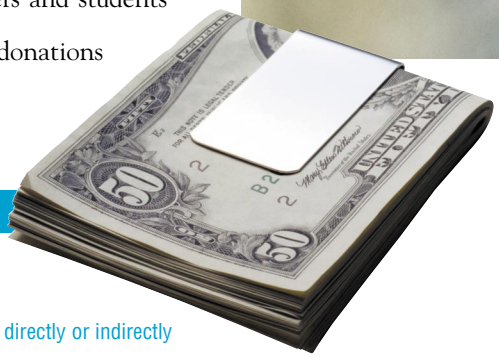
work force age comparison

- 677 (8%) of INEEL workers are under age 34, compared with 44% of the Idaho labor force.
- 5,865 (72%) of INEEL workers are between 34 and 53 years of age, compared with 44% of the Idaho labor force.
- 1,613 (20%) of INEEL workers are over age 53, compared with 12% of the Idaho labor force.



ECONOMIC IMPACTS

AS ONE OF THE STATE'S LARGEST EMPLOYERS, THE INEEL impacts the economy of Idaho in numerous ways. Employers pay wages that workers and their families spend in local economies and contribute as taxes that provide government services, and the INEEL makes significant purchases of goods and services from Idaho suppliers and vendors. With more than a 50-year presence in southeastern Idaho, retired INEEL workers now receiving pensions infuse a significant number of dollars into the local economy. Finally, laboratory contractors work to stimulate regional economic development and job creation, enhance and develop the region's cities and communities, and support Idaho teachers and students through internships, scholarships, and equipment donations at all educational levels.



ECONOMIC IMPACT HIGHLIGHTS

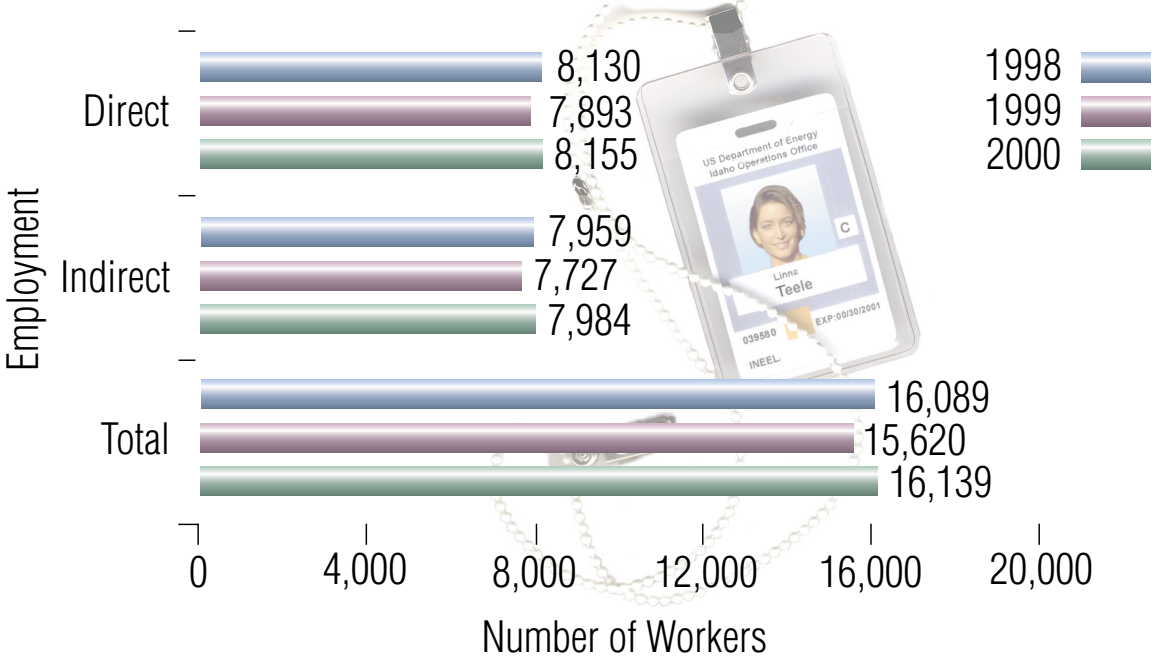
INEEL's infusion into Idaho's economy exceeded ***$569 million*** *in 2000.*

- 16,139 southeastern Idaho jobs were directly or indirectly dependent upon INEEL wages and salaries.
- $400.8 million in area wages result either directly or indirectly from INEEL employment.
- $129.6 million in goods and services were purchased from Idaho suppliers and vendors.
- $24.4 million in retirement benefits were paid to former private-sector employees now residing in Idaho.
- $7.4 million has been disbursed for economic diversification and community development.
- $4.7 million in equipment was donated to Idaho schools and institutions.
- $2.5 million in research funding has been provided to Idaho universities.
- Not included in the above calculations are the 300 new jobs created in southeastern Idaho as a result of INEEL-sponsored economic development initiatives.

changes in economic impacts 1998-2000

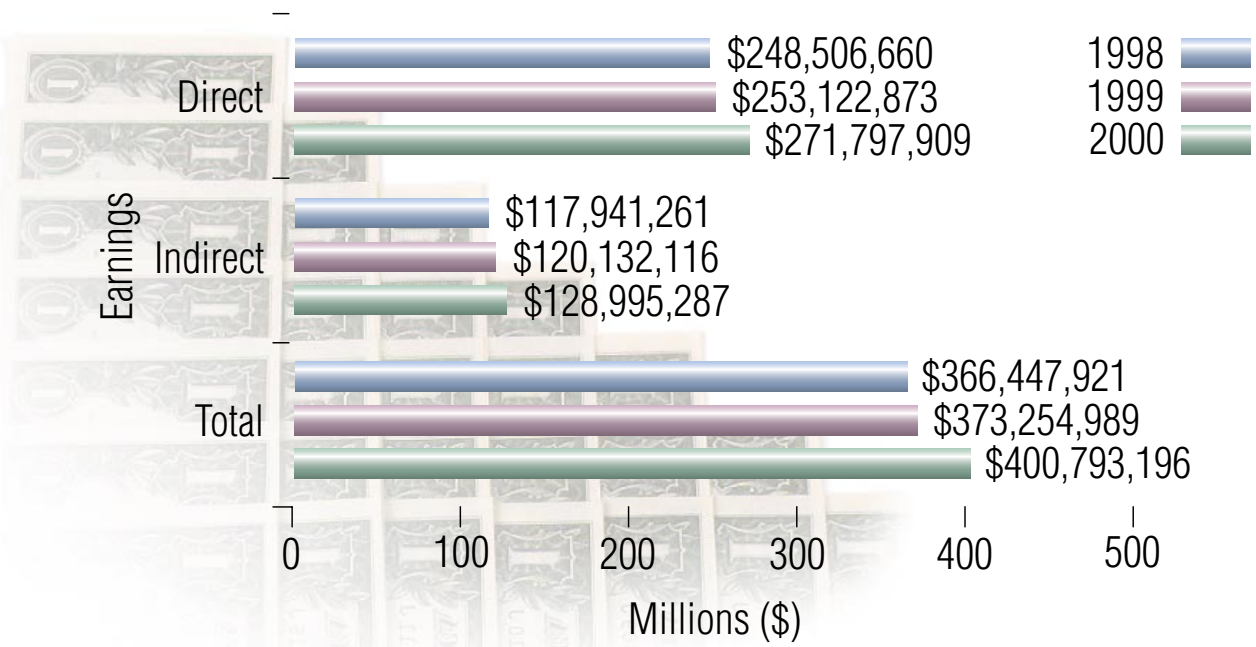
- Total employment impact has increased by 50 jobs (0.3%), including 25 direct jobs and 25 indirect jobs.
- Total earnings impact has increased by $34 million (9.4%), including $23 million in direct wages and $11 million in indirect wages.

INEEL Impact on Regional Employment



- More than $153 million in equipment, supplies, and services were purchased in support of the INEEL's daily operations.
- Idaho vendors provide 84% of the value of these purchases, amounting to $129 million.
- Southeastern Idaho companies play a major role in INEEL procurement, receiving nearly $123 million, or 80%, of the laboratory procurement total.

INEEL Impact on Regional Earnings



INEEL Procurement Dollars Affect Many Communities

- A Northern ID $3,727,206
- B Southwest ID $2,069,700
- C Central ID $962,552
- D Southeast ID $122,806,973

- 1 Idaho $129,566,431
- 2 Washington $6,778,811
- 3 Montana $485,482
- 4 Oregon $3,358,297
- 5 Wyoming $333,764
- 6 Nevada $648,170
- 7 Utah $12,617,155

POPULATION IMPACTS

INEEL EMPLOYEES AND THEIR FAMILIES ARE concentrated in seven Idaho counties and ten cities. The number and proportion of laboratory workers determines the degree of dependence that a particular county or city might have on the INEEL. During the most recent three-year period from 1998 to 2000, there have been minor, but perceptible, shifts in the INEEL dependence of area counties and cities. The shifts were generated by a combination of changing levels of laboratory employment, area population change, and residential mobility patterns among employees.

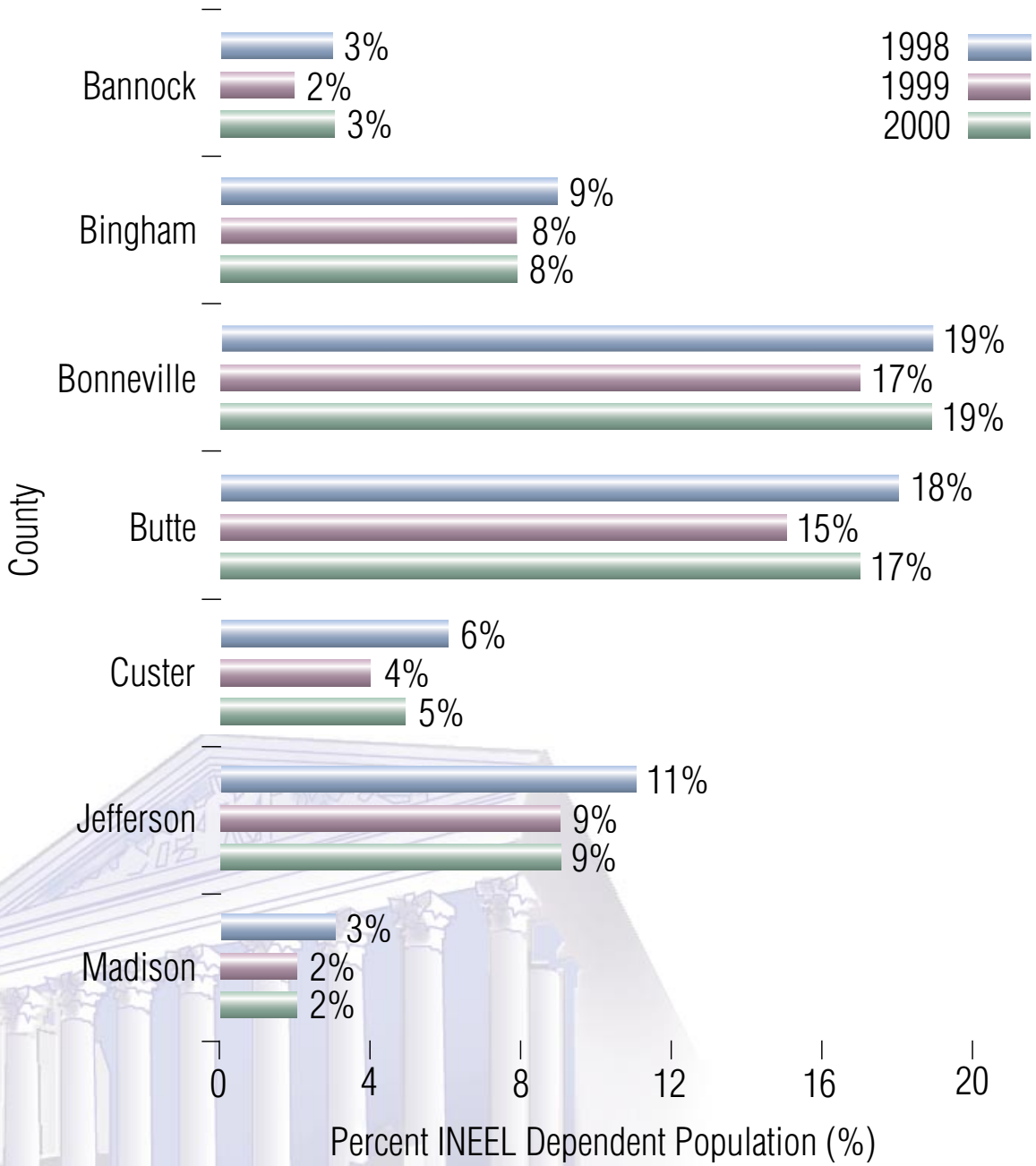
Elementary school children listen attentively to a presentation by an archaeologist from the INEEL Speakers Bureau.

POPULATION IMPACT HIGHLIGHTS

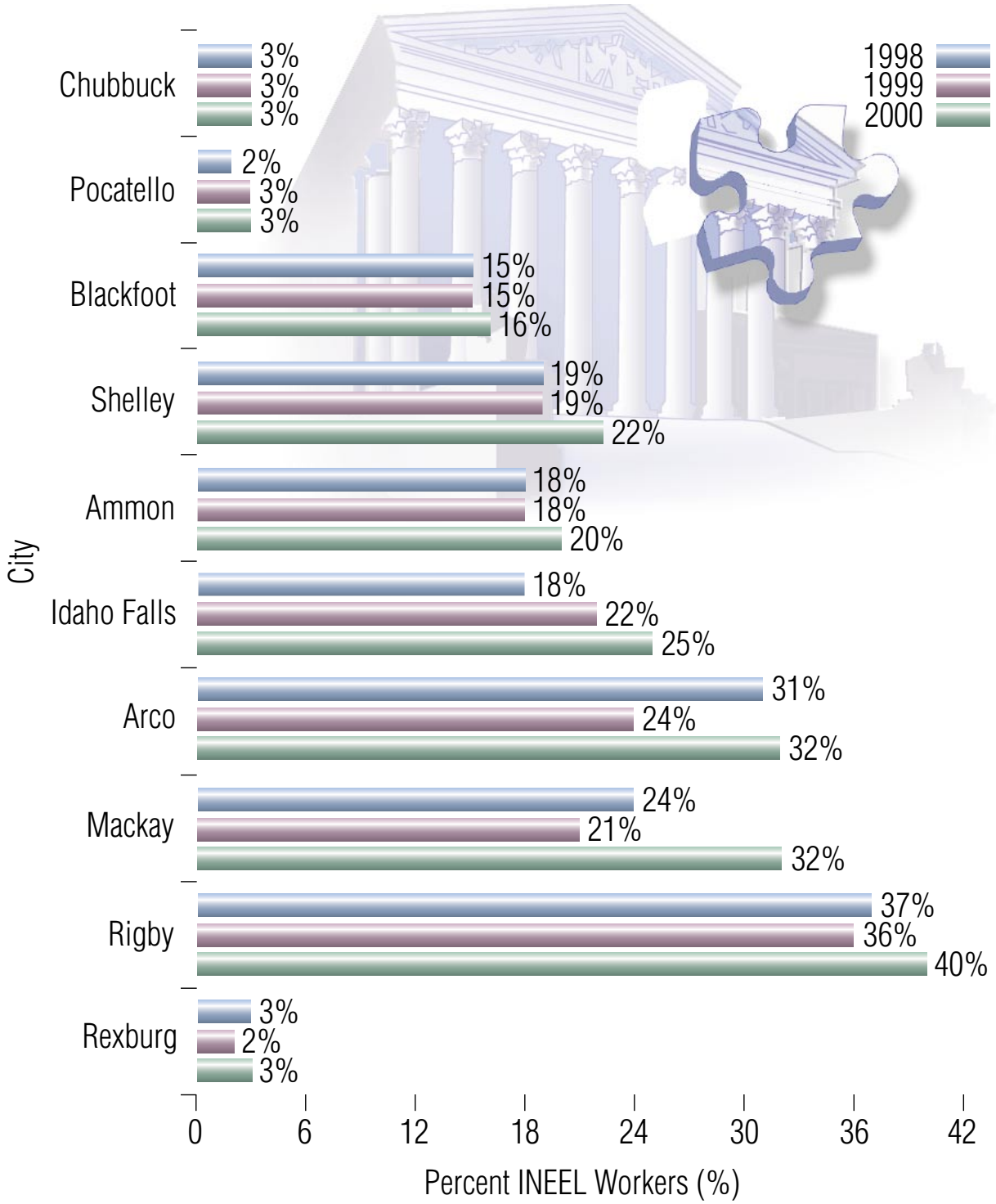
- INEEL employees and their families account for 9.7% of the population in the seven-county impact region, and 13.2% of the population in the region's 10 largest cities.
- Bonneville County is home to 15,548 persons dependent on INEEL wages, more than any other county.
- In percentage terms, 19.2% of Bonneville County's population is INEEL dependent.
- Rigby is the most INEEL-dependent community, with 1,102 of its estimated 2,759 residents (40%) dependent on INEEL wages.
- The Butte-Arco School District #111 is most INEEL dependent, with 196 of its 591 students (33%) residing in INEEL households.

15,548
Bonneville County
19.2%
Rigby
9.7%
Butte-Arco School District

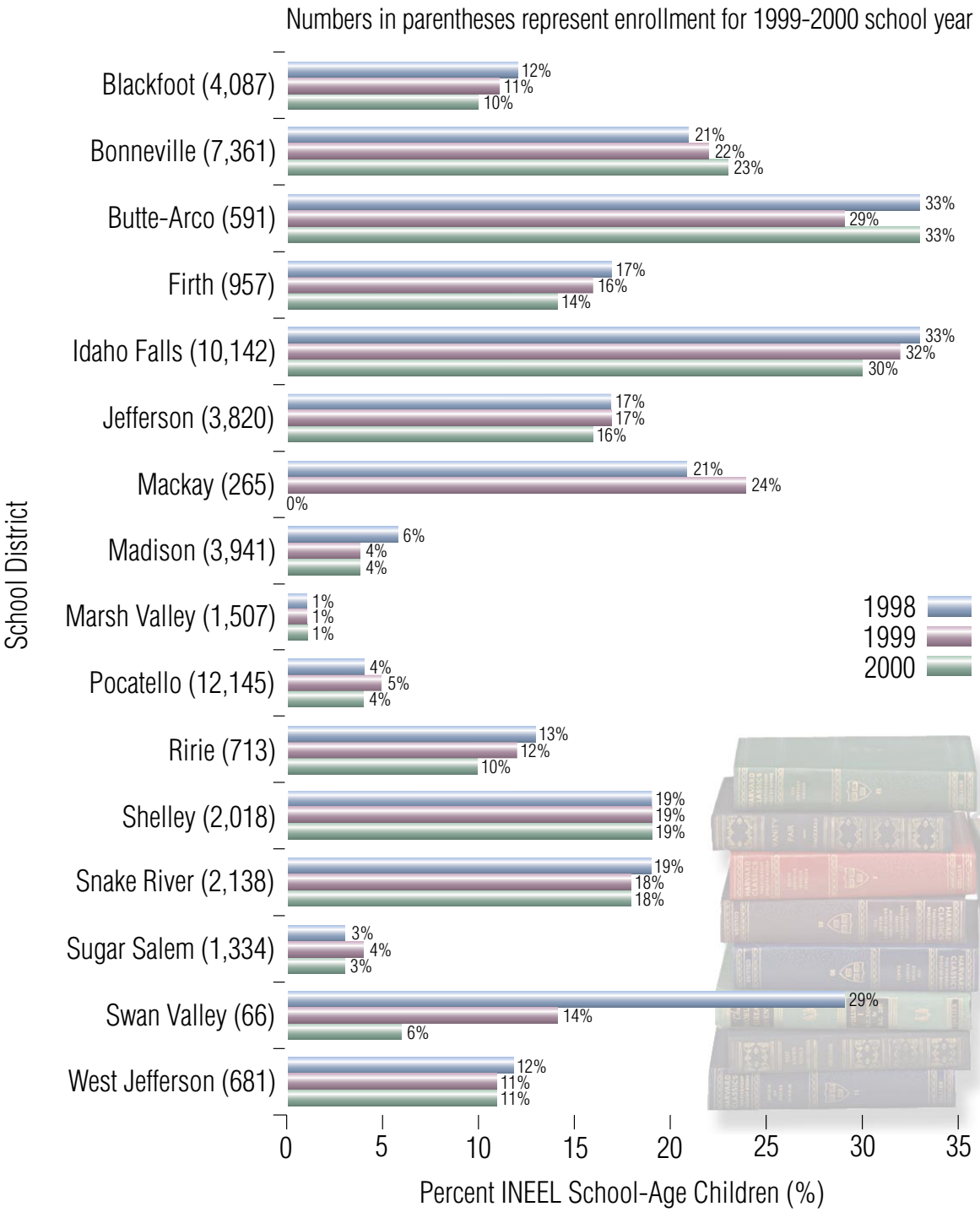
County Dependence on the INEEL



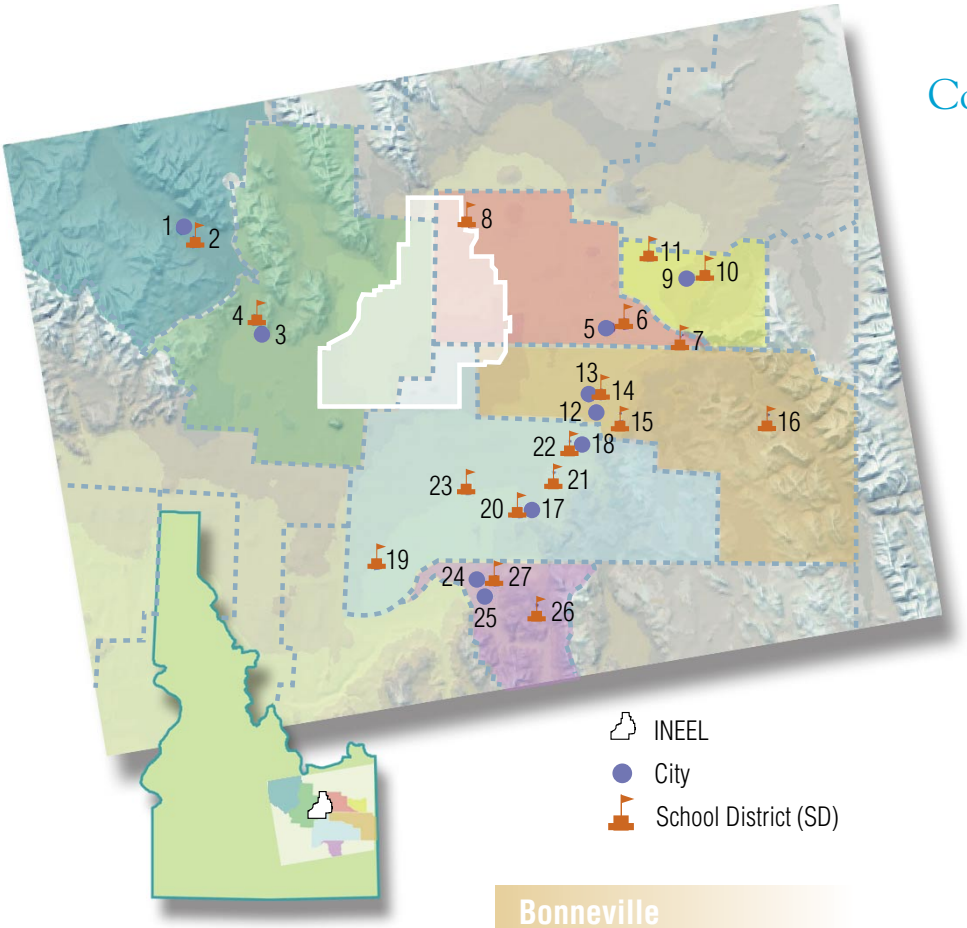
City Dependence on the INEEL



School District Dependence on the INEEL



County, City, and School District Dependence on the INEEL



Custer

Custer County	5%
1 Mackay City	32%
2 Mackay SD182	26%

Butte

Butte County	17%
3 Arco City	32%
4 Butte-Arco SD111	33%

Jefferson

Jefferson County	9%
5 Rigby City	40%
6 Jefferson SD251	16%
7 Ririe SD252	10%
8 West Jefferson SD253	11%

Madison

Madison County	2%
9 Rexburg City	3%
10 Madison SD321	4%
11 Sugar Salem SD322	3%

Bonneville

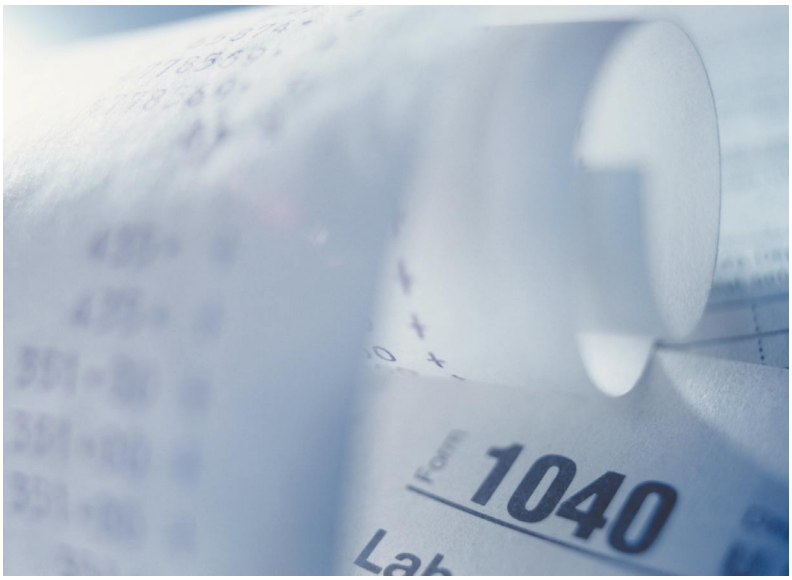
Bonneville County	19%
12 Ammon City	20%
13 Idaho Falls City	25%
14 Bonneville SD93	23%
15 Idaho Falls SD91	30%
16 Swan Valley SD92	6%

Bingham

Bingham County	8%
17 Blackfoot City	16%
18 Shelley City	22%
19 Aberdeen SD58	1%
20 Blackfoot SD55	10%
21 Firth SD59	14%
22 Shelley SD60	19%
23 Snake River SD52	18%

Bannock

Bannock County	3%
24 Chubbuck City	3%
25 Pocatello City	3%
26 Marsh Valley SD21	1%
27 Pocatello SD25	4%



TAX IMPACTS

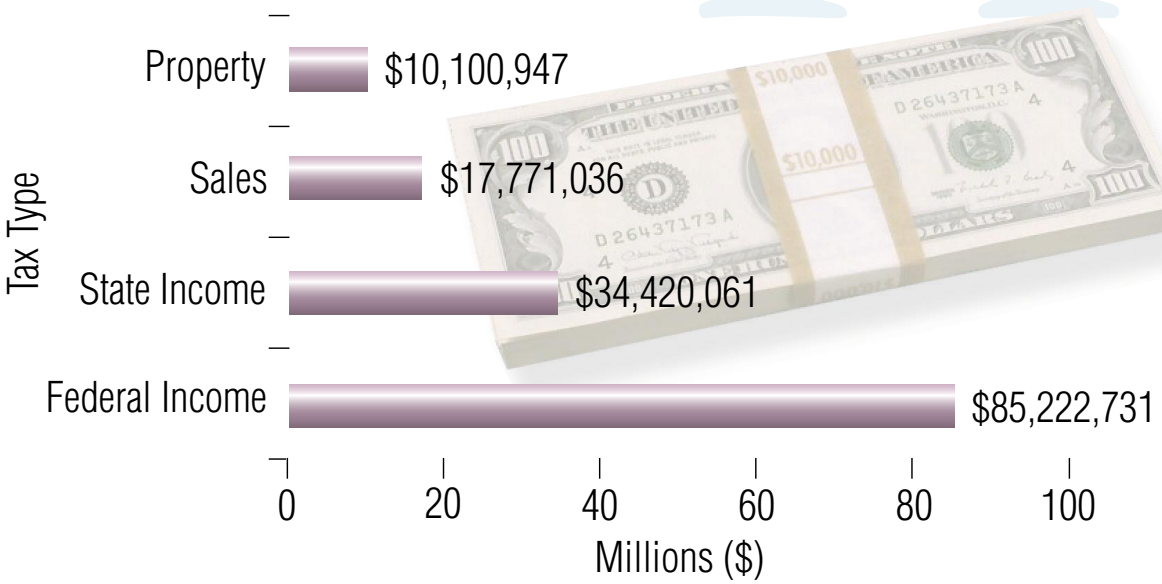
With an average salary of $57,336 and total household income of $81,875, INEEL households paid $147.5 million in taxes in 2000.

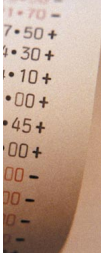
2000 TAX HIGHLIGHTS

- $85.2 million in federal income tax
- $34.4 million in Idaho personal income tax
- $17.8 million in Idaho sales and use taxes
- $10.1 million in Idaho property taxes

HOUSEHOLDS WITH INEEL WORKERS make significant payments of federal, state, and local taxes. Local property tax totals vary from area to area, depending on the number and proportion of laboratory workers residing in a particular county, city, or school district.

Total Taxes Paid by INEEL Households

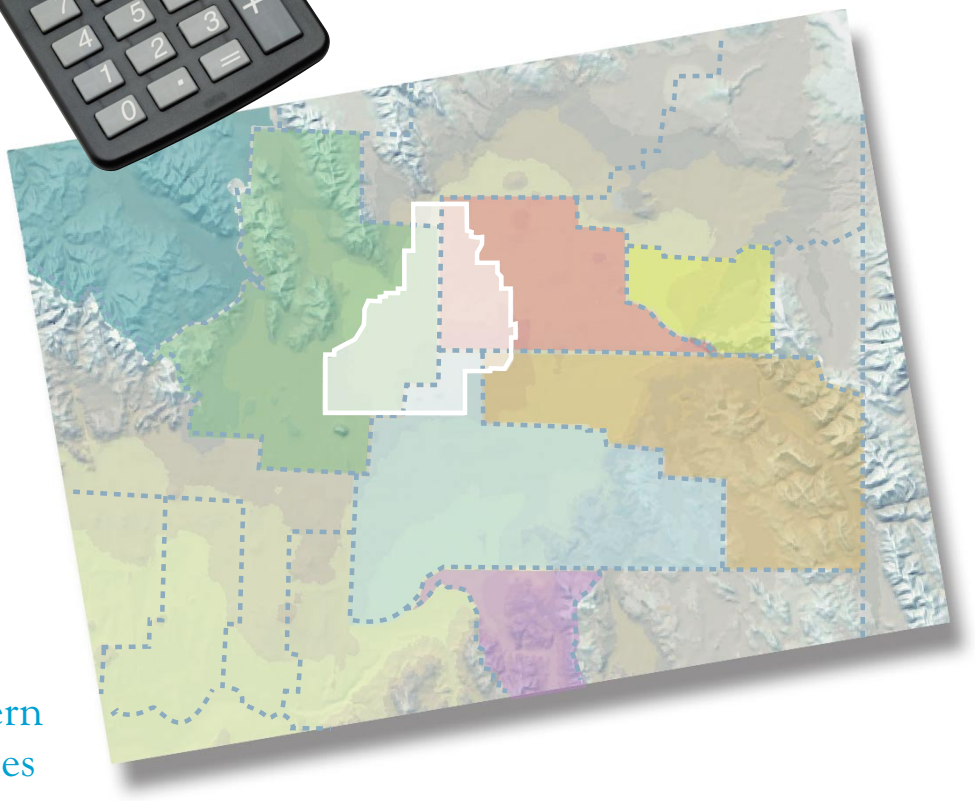




INEEL EMPLOYEE HOUSEHOLD AVERAGE TAXES PAID

INEEL's 7,467 employee households paid an average $19,755 in federal, state, and local taxes in 2000.

- $11,413 in federal income tax
- $4,609 in Idaho personal income tax
- $2,380 in Idaho sales and use taxes
- $1,353 in Idaho property taxes



Total INEEL Tax Support to Southeastern Idaho Counties

	Custer	Butte	Jefferson	Madison
Federal Tax	$881,679	$1,744,599	$5,458,907	$1,369,417
State Tax	$356,096	$704,615	$2,204,763	$553,085
Sales Tax	$183,852	$363,792	$1,138,316	$285,557
Property Tax	$43,889	$148,366	$511,123	$154,960
Total	$1,465,516	$2,961,372	$9,313,109	$2,363,019

	Bonneville	Bingham	Bannock
Federal Tax	$57,496,736	$10,786,500	$6,621,973
State Tax	$23,221,987	$4,356,490	$2,674,506
Sales Tax	$11,989,484	$2,249,251	$1,380,844
Property Tax	$6,868,297	$1,261,537	$900,580
Total	$99,576,504	$18,653,778	$11,577,903

COMMUNITY INVOLVEMENT

GENEROSITY AND INVOLVEMENT TYPIFY INEEL WORKERS

and their families, as evidenced by the significant number of hours spent in volunteer activities of all kinds. Laboratory employees support religious organizations, schools, and a variety of youth, civic, and political associations so important to the communities within which they live.

In addition to their contributions of time, employees report making charitable contributions that total nearly $20 million annually.

As a part of its extensive public and community involvement effort, laboratory contractors and the Department of Energy conduct tours and make presentations about the INEEL, and work closely with local school districts, governments, and community agencies to inform and educate area citizens about INEEL activities.

EMPLOYEE INVOLVEMENT

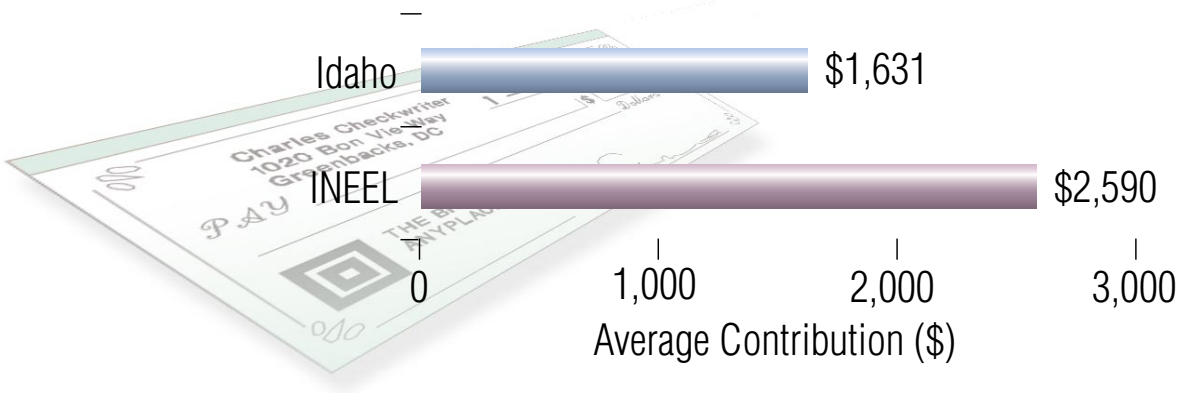
- 1.5 million hours are volunteered annually by members of INEEL families in support of religious activities and positions (604,417), youth athletics and sports (454,985), school and PTA (154,450), community service clubs (140,906), political activities (31,821), as well as other types of involvement (163,527).
- Each of the INEEL's 7,467 households volunteers an average 208 hours per year.
- Annual giving averages $2,590 across all INEEL households.
- 7,467 INEEL families annually contribute nearly $20 million to charitable causes.

INEEL employees give generously of their time and financial resources in support of community causes and charities.

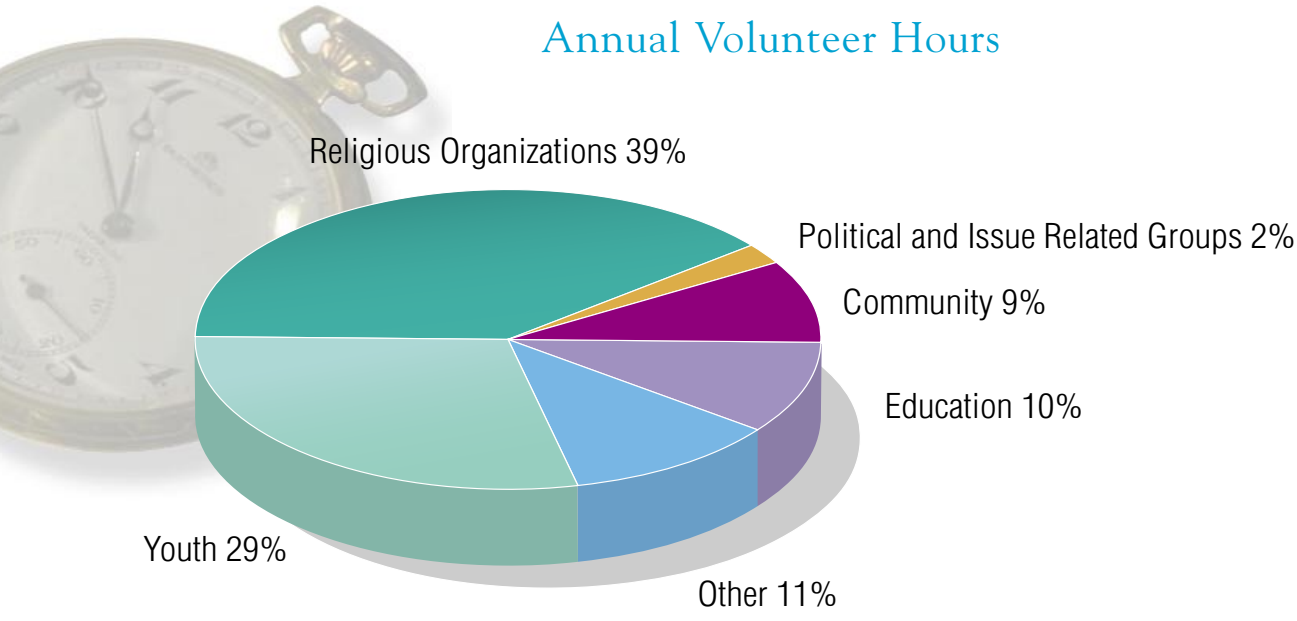
EMPLOYER INVOLVEMENT

- 189 INEEL tours were conducted for 2,615 visitors.
- 205 presentations were made to audiences totaling 23,200 persons.
- 62 Idaho teachers and 108 students received fellowships and internships.

Charitable Contributions per Household



Annual Volunteer Hours



IDAHO NATIONAL ENGINEERING AND ENVIRONMENTAL LABORATORY

MISSION AND VISION

MISSION STATEMENT

To deliver science-based, engineered solutions to the challenges of DOE's mission areas, other federal agencies, and industrial clients.

To complete environmental cleanup responsibly, using innovative science and engineering capabilities.

To provide leadership and support to optimize the value of Environmental Management investments and strategic partnerships throughout the DOE complex.

To enhance scientific and technical talent, facilities, and equipment to best serve national and regional interests.

VISION STATEMENT

To be an enduring national resource that delivers science and engineered solutions to the world's environmental, energy, and security challenges.

This document is produced by the U.S. Department of Energy, Idaho Operations Office under contract DE-AP07-00ID00504, Center for Business Research and Services, Idaho State University.

For information or additional copies, please contact the INEEL Citizen's Inquiry Line at 1-800-708-2680.